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No. 952

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IN THE

**Supreme Court of the United States**

OCTOBER TERM 1943

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In the Matter

—of—

PATIO CAFE, INC.,

Bankrupt.

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EMPIRE STATE CHAIR CO., INC.,

Petitioner,

—against—

GEORGE J. BELDOCK, Trustee in Bankruptcy,

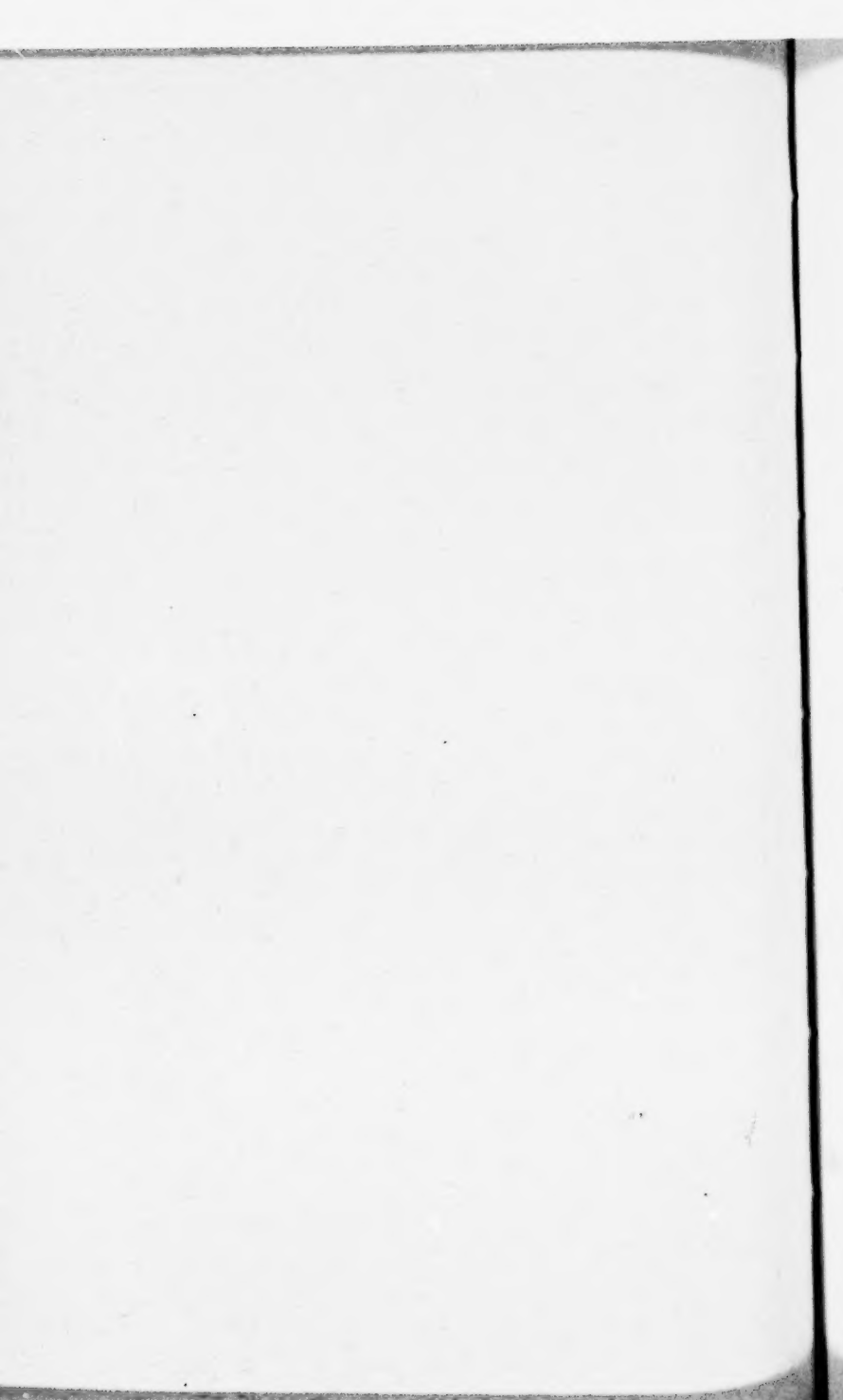
Respondent.

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**PETITION FOR WRIT OF CERTIORARI**

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EMPIRE STATE CHAIR CO., INC.,

Petitioner,  
(Appellee below)

—against—

GEORGE J. BELDOCK, Trustee in Bankruptcy,

Respondent,  
(Appellant below)

---

**PETITION FOR WRIT OF CERTIORARI TO THE  
CIRCUIT COURT OF APPEALS FOR THE  
SECOND CIRCUIT**

*To the Honorable, the Chief Justice of the United States  
and the Associate Justices of the Supreme Court of the  
United States:*

The Empire State Chair Co., Inc., prays that a Writ of  
Certiorari issue to review the decree of the United States  
Circuit Court of Appeals for the Second Circuit entered

in the above entitled proceeding on the 28th day of February, 1944.

By its decree the Circuit Court of Appeals for the Second Circuit reversed an order entered in the United States District Court for the Eastern District of New York granting the petition of the Empire State Chair Co., Inc. to reclaim certain chattels sold under a conditional sales agreement by the petitioner herein to the bankrupt herein and the said Circuit Court of Appeals remanded the proceeding to the District Court with instructions to dismiss the petition.

### *Opinions Below.*

This is a réclamation proceeding which first came on to be heard before a Referee in bankruptcy, Hon. Wilmot T. Morehouse, whose opinion is contained in the report which he filed in the United States District Court for the Eastern District of New York and which appears on pages 39 to 43, inclusive, of the record.

The Referee's report was confirmed, without opinion, by Hon. Matthew T. Abruzzo, whose order appears on pages 46 and 47 of the record.

The trustee in bankruptcy herein thereupon appealed to the Circuit Court of Appeals for the Second Circuit which, after argument, rendered its opinion (pp. 60 to 64 inclusive) and entered the decree heretofore described. The said opinion is reported in 140 F. (2d) 587.

### *Jurisdiction.*

The judgment of the Circuit Court was entered on February 28, 1944. The jurisdiction of the Court is invoked under Section 240 (a) of the Judicial Code as amended by the Act of February 13, 1925 (U. S. C. A. Title 28, Section 347).

### **Questions Presented.**

1. The questions presented for decision are vitally important. There is no precedent in the State of New York covering this set of facts and the Circuit Court predicated its decision primarily upon the Pennsylvania case of *In Re: Mineral Lac Paint Co.* (D. C. E. D. Pa.), 17 Fed. Supp. 1, affirmed sub nom. *Salkind v. Dubois*, 3 Cir., 105 Fed. 2nd 640. That case was decided under the Pennsylvania statute covering conditional sales agreements.

In contradiction thereto is the decision of the Court in the State of Washington in the case of *Diamond Iron Works v. Werley*, 135 Wash. 228; 237 Pac. 313.

In the Washington case the facts are practically identical with those of the case at bar. There also the conditional sales agreement referred to "plans and specifications annexed hereto" which were not filed with the filed copy. The statutes of the State of Washington, just like the statutes of the State of New York covering conditional sales agreements, do not require any description of the chattels involved.

In that case the Court held that the reference in the filed agreement to " \* \* \* plans and specifications \* \* \* " were sufficient and from the description in the filed copy the property could be identified by resorting to inquiries which an examination of the instrument would suggest.

The Pennsylvania statute on the other hand contains a specific requirement that a description of the chattels must be incorporated in the conditional sales agreement.

The first question therefore is whether the decision of the Circuit Court for the Second Circuit was proper in view of the differences between the statutes in Pennsylvania and New York.

2. Is a conditional sales agreement which suggests a course of inquiry and contains a key to the description of

the chattels involved valid against the vendee's trustee in bankruptcy in the State of New York when the specifications, containing a detailed description of said chattel which are referred to in the agreement, were not annexed to the copy of the agreement filed?

3. Is a conditional vendor's lien invalidated under the law of the State of New York by reason of the failure of the agreement to contain a description of the chattels involved in the filed instrument?

4. Will a Court of equity, and more particularly, one in the State of New York, penalize a conditional vendor for failing to include in the filed agreement the plans and specifications which were annexed to the original agreement but were omitted from the filed copy?

### ***Statute Involved.***

The statute involved is the Personal Property Law of the State of New York, with particular reference to the Sections therein contained covering conditional sales agreements to wit: Sections 60 to 80 (i) inclusive.

### ***Statement.***

On the 24th day of June, 1942 the bankrupt herein entered into an agreement with the petitioner, which agreement was prepared by the attorney for the bankrupt, in which the petitioner herein agreed to alter premises #630 Flatbush Avenue, Brooklyn, and equip the same as a restaurant, bar and grill.

This necessitated the building and equipment of the entire premises with the exception of the outer walls and the roof.

The agreement provided, in Paragraph 3 thereof, that the title to the chattels and fixtures installed shall remain in



the petitioner until the full sum of \$24,500. shall have been paid and provided for a method of installment payments thereon. The petitioner completed this work and the installation of all of the chattels and fixtures on the 20th day of April, 1942.

Up to that time, of course, no business could be done in the premises,—they were not erected or completed. On that date the petitioner herein turned over to the bankrupt's officers the key to the premises, gave the bankrupt possession of the chattels and fixtures and at the same time and on the same day filed in the office of the Register of the County of Kings (the office designated by the Statute of the State of New York) a copy of said agreement.

The agreement states, in paragraph One, that the contractor (the petitioner), shall and will provide all the materials and perform all the work for the owner (the bankrupt), as shown on the plans and described in the specifications which "are annexed hereto and which are identified by the signature of the parties hereto and become hereby a part of this contract".

In filing this document in the Register's office, a copy was filed which did not have annexed thereto a copy of the plans and specifications therein referred to.

The original agreement containing the plans and specifications initialed and signed by the parties thereto were received in evidence at the hearing before the Referee.

There is no provision in the statutes of the State of New York requiring that a description of the chattels be incorporated in the conditional sales agreement excepting only, conditional sales agreements covering sales for \$1500. or less, of goods for any use other than a commercial or business use.

At the time of the filing of this conditional sales agreement there could have been no creditors of the bankrupt excepting only other conditional vendors of fixtures and appliances and the landlord of the premises.

That the filing of such conditional bill of sale constituted notice to all and sundry that there existed a lien against chattels and fixtures located in the premises for an unpaid balance of at least \$15,500. and a total possible sum of \$24,500.

Anyone familiar with the restaurant business would know that the amount of lien on such premises would cover practically everything situated therein.

At the time of the filing of the petition in bankruptcy herein there was a balance due to the petitioner herein from the bankrupt under said agreement the sum of \$14,027.60.

### ***Specification of Errors To Be Urged.***

1. The Court erred in failing to differentiate between the statutes relating to conditional sales agreements of the State of New York and those of Pennsylvania.

2. The Circuit Court erred in predicating its decision upon the statutes of the State of Pennsylvania which require a description of the chattels rather than upon the statutes of the State of New York which do not require a description in this or similar agreements.

3. The Circuit Court erred in failing to follow numerous decisions throughout the nation which hold that where the agreement contains "a key to the description" or "suggests a course of inquiry" that the agreement is valid and binding. These decisions have been rendered and are the prevailing law in jurisdictions where the statutes require a description and should certainly prevail in the State of New York where no description is required.

4. The Circuit Court erred in failing to exercise its powers of equity in favor of the petitioner herein.

### ***Reasons for Granting Writ.***

There has been no decision in the State of New York or in the United States District Courts in the State of New York covering this question.

There are decisions in other jurisdictions which on the face thereof appear to be conflicting. The Pennsylvania case of *In Re: Mineral Lac Paint Co.* (D. C. E. D. Pa.), 17 Fed. Supp. 1, affirmed sub nom. *Salkind v. Dubois*, 3 Cir., 105 Fed. 2nd 640, was decided under the Pennsylvania statute covering conditional sales agreements which require "a brief description of the goods".

The Circuit Court based its decision in the instant case on the decision of the Pennsylvania Court notwithstanding the fact that the New York statute differs fundamentally from that of Pennsylvania, in that, the New York statute requires no description.

When the Uniform Conditional Sales Act was adopted by some of the states they enacted statutes substantially in accord with the provisions thereof, but in many instances the statutes of the various states differed in some respect from each other.

It is well established that Federal Courts must apply the law of the State which is the situs of the transaction.

A reading of the Uniform Act fails to disclose any provision for the inclusion of the description of the chattels except by the inference to be drawn from Section 10 thereof.

Under that Section the filing officer is required to enter, "A brief description of the goods".

Both New York and Pennsylvania enacted such provision verbatim into their respective statutes.

***That Provision Is Still the Law in Pennsylvania but  
Not in New York.***

In 1930 the legislature of the State of New York amended the provisions of the Personal Property Law affecting conditional sales, omitting the reference to, "A brief description of the goods" (Section 70 of the Personal Property Law).

In one of the foot-notes to the Circuit Court's opinion, a statement is made to the effect that the changes in the New York State Law may or may not have been designed to affect the earlier Uniform Act and "need not be considered here".

On the contrary, the Court referred specifically in its foot-note to the amendment of the New York Statute (Section 64a) enacted in 1941. By that amendment, it is specifically required that in the sale of chattels, not for commercial purposes, and not exceeding the sum of \$1500., a description of the chattels must be included in the contract.

Counsel respectfully submits that it is important to consider this amendment because it indicates clearly that the legislature of the State of New York considered the question of incorporating a description and affirmatively stated that only in such instance should a description be required.

Counsel, therefore, respectfully submits that the Circuit Court erred in intimating or inferring that by the 1930 change in the New York State Conditional Sales Act the legislature merely omitted, without affirmatively intending so to do,—the requirement for description.

With this distinction pointed out, it certainly cannot be said that the Conditional Sales Act of Pennsylvania or any decisions based thereon can be used as a precedent in the case at bar.

The Circuit Court in its opinion said, "APPLYING THE UNIFORM ACT, AS ADOPTED IN PENNSYLVANIA IN 1925 \* \* \*".

Certainly any application of the Uniform Act as adopted in Pennsylvania has no bearing on this case.

Although the states of New York, Pennsylvania and Washington have in principle adopted the so-called Uniform Conditional Sales Act there are differences which are pertinent. Under the Uniform Act there is no specific provision requiring any description in a conditional sales agreement. The only provision therefor is the inference created under Section 10 thereof which requires the filing officer to enter in his book a brief description of the goods. That Section was enacted bodily into the statute in the State of New York when the Uniform Act was adopted. However, in 1930 the legislature of the State of New York amended its statute by omitting therefrom any reference to description even by inference. This was not an oversight on the part of the legislature because in 1941 it further amended its statute requiring a description only with respect to conditional sales agreements involving less than \$1500. and covering chattels not used for business or commercial purposes. Such is the present state of the law in New York.

Pennsylvania likewise enacted Section 10 of the Uniform Act bodily into its statute. There has been no amendment in that State and the decision in the case of *In Re: Mineral Lac Paint Co.*, *supra*, is predicated upon such unamended statute.

The State of Washington has likewise adopted the Uniform Act, but it never included therein any requirement for description, even by inference.

It is therefore apparent that as neither New York nor Washington now require a description while Pennsylvania does require such description, that the Pennsylvania statute

and the decisions thereunder are not applicable in the State of New York.

On the other hand, in jurisdictions in which there is no requirement for description in the statutes AND EVEN IN SOME WHERE THERE IS, the Courts have uniformly held that where the contract contains "The key to the description" or "suggests a course of inquiry which if followed would supply the description" that the conditional sales agreement is valid and binding.

Attention is called to the following cases in support of this theory from all sections of the country:

*Tilton v. H. M. Wade Co.*, C. C. A. 4th 2 Fed. 2d 358;

*A. S. Thomas Furniture Co. v. T. C. Furniture Co.*, 120 Ga. 879; 48 S. E. 333;

*Kammeier v. Chauvet*, 171 N. W. 185;

*G. A. Granger v. Cooper*, 152 N. W. 304;

*Smith Typewriter v. Grace*, 115 Pac. 1019;

*Rogers v. Whitney*, 99 Atl. 419;

*Stoll v. Schneider*, 13 S. W. 2d 325.

The Court will note that these decisions are from north, south, east and west.

This is true particularly in the case of *Diamond Iron Works v. Werley*, *supra*. In that case the facts are identical AND SO IS THE LAW OF THE STATE WHICH WAS THE SITUS OF THE TRANSACTION, PARTICULARLY IN THAT THAT STATE REQUIRED NO DESCRIPTION.

The contract in the case at bar did contain "the key to the description" in that it placed the world upon notice that by making inquiry of either of the parties to the contract, description could be ascertained. Within the meaning of the cited cases that is sufficient.

Another compelling reason for granting the Writ herein requested is that if the decisions of the Circuit Court below should prevail, a serious miscarriage of justice will ensue.

A considerable sum of money is concededly due to the petitioner herein from the bankrupt and equity requires that in all justice the petitioner be protected therein.

### CONCLUSION.

The Writ prayed for should be granted.

WHEREFORE, your petitioner respectfully prays that a Writ of Certiorari issue under seal of this Court, directed to the United States Circuit Court of Appeals for the Second Circuit commanding said Court to certify and send to this Court a full and complete transcript of the records and the proceedings of the Circuit Court of Appeals had in said proceeding, to the end that this proceeding may be reviewed and determined by this Honorable Court as provided by the statutes of the United States, and that the order herein of said Circuit Court of Appeals be reversed by this Honorable Court and for such further relief as to this Court may seem just and proper.

EMPIRE STATE CHAIR CO., INC.

By HYMAN DAVIDSON

Petitioner.

HAROLD FORSTENZER—*Counsel.*

UNITED STATES OF AMERICA,  
STATE OF NEW YORK,  
COUNTY OF NEW YORK, ss.:

HYMAN DAVIDSON, being duly sworn, deposes and says: I am the President of the EMPIRE STATE CHAIR CO., INC., the petitioner in the above entitled proceeding. I have read the foregoing petition and the same is true as I verily believe. I further state the reason this verification is made by me and not by the petitioner is because the said petitioner is a domestic corporation and that I am the officer thereof, to wit: its President.

HYMAN DAVIDSON.

Sworn to before me this  
18th day of April, 1944.

JOSEPH NEWMAN

Notary Public, Kings Co. No. 188, Reg. No. 115-N-5  
Cert. filed in N. Y. Co. No. 229, Reg. No. 140-N-5  
Commission expires March 30, 1945

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I hereby certify that I have examined the foregoing petition for a Writ of Certiorari and in my opinion such petition is well founded and should be granted by this Honorable Court, and said petition is not presented for purposes of delay.

HAROLD FORSTENZER.



UNITED STATES OF AMERICA,  
STATE OF NEW YORK,  
COUNTY OF NEW YORK, ss.:

HAROLD FORSTENZER, of the County of New York, in the City of New York, being duly sworn, on his oath, says, that he is the attorney for the above petitioner, and has been such since the beginning of the litigation involved herein and is entirely familiar therewith, and that the amount in controversy herein is the value of the chattels which are the subject of this proceeding determined by the Circuit Court of Appeals for the Second Circuit to be the property of the trustee respondent to wit: the sum of \$5800., exclusive of interests and costs.

HAROLD FORSTENZER.

Sworn to before me this  
18th day of April, 1944.

JOSEPH NEWMAN

Notary Public, Kings Co. No. 188, Reg. No. 115-N-5  
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—against—

GEORGE J. BELDOCK, Trustee in Bankruptcy,

Respondent.

---

## BRIEF OF RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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Petitioner,  
(Appellee below)

—against—

GEORGE J. BELDOCK, Trustee in Bankruptcy.

Respondent.  
(Appellant below)

---

## BRIEF OF RESPONDENT

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### *Statement.*

The petitioner and the bankrupt entered into an agreement in writing for the construction of a restaurant bar and grill at 630 Flatbush Avenue, Brooklyn, N. Y., and under the terms of which contract, the petitioner was to "provide all the materials and perform all the work \* \* \* as

shown on the plan and described in the specifications which are annexed hereto and are identified by the signatures of the parties hereto and become hereby a part of this contract" (fol. 35).

Under the terms of the said contract, the bankrupt agreed to pay to the petitioner \$24,500. at stated times as the work progressed.

The contract also contained the following statement:

"It is understood and agreed that title and ownership to all the chattels and fixtures described in the specifications hereto, shall remain in the contractor at all times until the said purchase price \* \* \* shall have been fully paid in cash" (fol. 39).

Upon completion of the work, the agreement (fol. 34) was filed in the office of the Register of Kings County on April 20th, 1942. It is conceded that the agreement as filed with the Register did not have annexed to it the plans and specifications mentioned in the contract (fol. 89).

On December 22nd, 1942, and at a time when the bankrupt was in default in making payments to the petitioner, the bankrupt executed an assignment for the benefit of creditors to one Simon Goldman, pursuant to the Laws of the State of New York.

Thereafter, and on January 5th, 1943, an involuntary petition in bankruptcy was filed against the bankrupt and an adjudication in bankruptcy followed in due course. The Receiver appointed by the District Court took into his possession chattels claimed by the petitioner. Subsequently, and pursuant to leave obtained by the Bankruptcy Court, the Receiver sold the chattels to the petitioner free and clear of any claims or liens for the sum of \$5800. The order authorizing the sale, transferred the lien, if any, of the petitioner to the proceeds of the sale and which proceeds were



received by the trustee pending the determination of the validity of the contract and the claim of the petitioner thereto (fol. 148).

A hearing was thereafter had before the Referee pursuant to the order of the District Court (fol. 79) and the Referee thereafter filed his report upholding the lien of the petitioner (fol. 112) and which report was thereafter confirmed by the District Court by an order made on the 12th day of April, 1943 (fol. 136).

The Trustee in Bankruptcy thereupon appealed to the Circuit Court of Appeals for the Second Circuit, which after argument, rendered its opinion (fols. 61 to 64) and entered a decree reversing the order of the District Court and remanded the proceeding to the District Court with instructions to dismiss the reclamation petition of the petitioner (fol. 75).

### ***Statute Involved.***

The Statute involved is Section 65 of Article 4 of the Personal Property Law of the State of New York, which provides as follows:

“Every provision in a conditional sale reserving property in the seller shall be void as to any purchaser from or creditor of the buyer, who, without notice of any provision, purchases the goods or acquires by attachment or levy a lien upon them, before the contract or copy thereof shall be filed as hereinafter provided, *unless such contract or copy* is so filed within ten days after the making of the conditional sale. This section shall not apply to conditional sales of goods for resale.”  
(Emphasis ours.)

***Answer to the Petition for Writ of Certiorari.***

In the Court below, the Trustees urged among other things, that the agreement (Exhibit, fols. 34 to 53) between the petitioner and the Bankrupt had not been filed as required by Section 65 Article 4 of the Personal Property Law of the State of New York and is therefore void against the Trustee in Bankruptcy.

The instrument as filed concededly did not have annexed to it the plans and specifications which were specifically a part of the contract between the appellee and the bankrupt (fol. 35). The instrument, as filed, was therefore not the contract between the parties or a true copy thereof that is required to be filed under the statute as it lacked a material and essential part of the contract, viz., the plans and specifications, and therefore, the filing of the instrument without the plans and specifications was not a proper compliance with the statute. Hence, the requirement, in the Statute that the *contract or a copy* thereof should be filed was not fulfilled.

The Court below sustained this contention and has found that contract as filed without the plans and specifications was not an adequate filing under Section 65 of the Personal Property Law and was therefore void as against the Trustee. As authority for its decision, the Court below, cited *Salkin v. Dubois* (3rd Circuit), 105 F. 2nd 640 affirming *In re: Mineral Lac Paint Co.*, D. C. E. D. Pa., 17 F. Supp. 1, and *In re: Smith*, D. C. E. D. Pa., 19 F. Supp. 597.

The petitioner now urges that the Court below erred in its decision in that it failed to differentiate between the Pennsylvania Statutes and the New York Statutes relating to conditional sales agreements claiming there is a fundamental difference between them. The claimed distinction is that the Pennsylvania Statute covering conditional sales agreements require "a brief description of the goods" where-

as the New York Statute does not. Therefore, it is urged that the Pennsylvania cases cited by the Court below are not controlling and cannot be properly used as a precedent in the instant case as these cases apply only to the Pennsylvania Statutes and not to the New York Statutes.

It is respectfully submitted that the petitioner's contentions are erroneous. The District Court in *In re: Mineral Lac Paint Co.*, *supra*, affirmed; in *Salkin v. Dubois*, *supra*, construed Section 402 of Title 69, Pennsylvania Statutes (Uniform Conditional Sales Act).

A reading of that statute shows no difference whatsoever between the two statutes. Section 402 of Title 69 Pennsylvania Statutes (Uniform Conditional Sales Act) adopted May 12, 1925 is identical word for word with Section 65 of Article 4 of the Personal Property Law of New York, except that it does not contain the last sentence of Section 65. Both Statutes require that the contract or a copy of the contract be filed in order to be effective against purchasers or lienors.

Section 407 of Title 69 Pennsylvania Statutes and Section 70 of Article 4 of the Personal Property Law of the State of New York supplement Section 402 and Section 65 respectively and provide for the mechanical details of filing conditional sales agreement required to be filed.

The only reference to a description is in Section 407 where the filing officer is required to enter "a brief description of the goods" in his dockets whereas in Section 65, the filing officer is not required to make such entry in his dockets. It has been held that the actions of the filing officer do not affect or control the validity of the sale or its recording. *In re: Labb*, D. C. W. D. N. Y., 42 F. Supp. 542.

The only other reference to a description is Section 64A of the Personal Property Law enacted in 1941, which pro-

vides that conditional sales contracts for the sale of chattels not exceeding \$1,500.00, shall contain "a description of the goods sold". This section was intended to correct abuses that arose in connection with the sale of household furniture and personal property through installment sales and provide further protection and safeguard to small installment buyers and has no application to chattels sold for business or commercial purposes such as here.

It is apparent therefore that neither the States of Pennsylvania nor New York (except as indicated) require a conditional sales contract to be filed with a description of the chattels involved, but they do however require that the contract itself or a copy thereof be filed with the recording officer.

It has been held in similar situations in various Circuits where a material part of the contract was not filed, that such filing was not effective against a trustee in bankruptcy.

See

*In re: Bazemore*, D. C. N. D. Ala., 189 Fed. 236;

*In re: Ford Rennie Leather Co.*, D. C. Del., 2 F. (2nd) 750-756;

*Meier & Frank Co. v. Sabin* (C. C. A.), 9th Circuit 214 Fed. 231;

*In re: Savage Bakery Co.*, 259 F. 976.

The Circuit Court very properly applied the decision relating to the Pennsylvania statutes to the case at bar, as the statutes involved are identical.

The petitioner has made mention that the State of Washington has adopted the Uniform Conditional Sales Act (page 9—Pet.) and that its statutes covering conditional sales agreements are similar to the New York Statute (page 3—Pet.). These statements are erroneous. The State of Washington has not adopted the Uniform Conditional Sales Act,

has, however, a recording statute which is entirely different from the New York Statutes. (See Section 3790, *Wilmington Compiled Statutes*.)\* The petitioner has cited *Ammond Iron Works v. Werly*, 135 Wash. 228, 237 Pac. 313, which he claims is in contradiction to the Pennsylvania cases cited by the Court below. As the Court below has stated, that case "turns rather upon the question of the sufficiency of the description as do the other cases cited by the appellee than upon the point of filing the entire contract" (fol. 63). The case is distinguished from the Pennsylvania cases in that it applied to a local recording statute which is entirely different from the New York and Pennsylvania statutes.

The petitioner further urges that the Court below erred in failing to follow numerous decisions cited by him which hold, that where the agreement contains "a key to the description" or "suggests a course of inquiry which if followed would supply the description", such agreement is valid. While these cases may be some authority in those states that require the contract to contain a description of the chattels covered, in order to be effective, they have no bearing on the case at bar. The adequacy of the description is not involved. The sole question here presented, is did the petitioner comply with Section 65 of the Personal Property Law of New York, which provides that the CONTRACT and a COPY thereof be filed in order to be valid. The Court below has properly found that the contract as filed by the petitioner did not meet the requirements of the statute in that a material part of the contract was omitted when filed. Assuming arguendo, that the adequacy of the description of the chattels covered by the contract is involved, it is

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\* The Uniform Conditional Sales Act has been adopted with slight variations in Alaska, Arizona, Connecticut, Indiana, Delaware, New Jersey, New York, Pennsylvania, South Dakota, Tennessee, West Virginia and Wisconsin.

respectfully submitted that the cases cited by the petitioner are not decisive. In all those cases there was some description or mention made of the specific chattels covered although they were inadequately described. In *Diamond Iron Works v. Werly*, *supra*, relied on by the petitioner, the memorandum of sale described the property "as machinery as per plans and specifications submitted herewith". The Court in its decision stated that in the agreed findings of fact "it appears that the description of the machinery sold would apply to and fit only shingle mill machinery sold and delivered by the respondent."

In the contract in the case at bar the property covered is not described except that reference is made to chattels and fixtures described in the specifications (fol. 39), and which specifications were concededly not filed with the contract. The contract does not describe the property with any generic term that would distinguish it from any other property or convey any notion as to what character or class of equipment it was intended to cover. It does not designate the property with any specific type or class of equipment which one might reasonably expect to find in a business such as was operated by the bankrupt. Nor does it contain any restrictive terms which would exclude any other property. The contract without the specifications is vague as to what property was intended to be covered between the petitioner and the bankrupt and contains nothing to identify the specific property to which title was intended to be reserved by petitioner. The Trustee is not charged with the duty of seeking out the petitioner or the bankrupt in order to find out what was meant to be covered by the agreement. The statute does not put any such burden on the Trustee. *Moline Plow Co. v. Braden*, 71 Iowa, 41, 32, N. W. 247. He has only to look at the terms and conditions described in the document.

The petitioner has also raised the question that a Court of Equity will not penalize him for his failure to record the complete instrument. It is a fundamental principle of law that where a statute requires a thing to be done, the statute must be complied with. In *Matter of Martina*, 39 F. Supp. 255. Here, Section 65 of the Personal Property Law made it incumbent upon the petitioner to file the contract or a copy thereof in order to make it effective and valid. In *Kenner & Co. v. Peters*, 141 Tenn. 55, 206 S. W. 188, the Court in construing a statute requiring contracts of conditional sale to be in writing, where the note, which was relied on as retaining title in its vendor, and where the space provided for a description of the property had been left blank, the Court held that it did not comply with the statute and was ineffective as a retention of title and stated: "To hold otherwise in this case would be fruitful of much mischief and that there would be no limitation or borderline in determining as to when the requirements of the Act regarding such contracts had been met. The ultimate result would be the abrogation of the statute by judicial legislation and the defeat of the legislative intent as expressed by the act in question."

**CONCLUSION.**

1. The Circuit Court of Appeals has properly construed Section 65, Article 4, of the Personal Property Law and its decision is not in conflict with any other Circuit Court of Appeals on the same matter.

2. The petitioner has failed to show any compelling or special or important reason for the granting of the petition for a writ of Certiorari.

3. The petition should be dismissed.

Respectfully submitted,

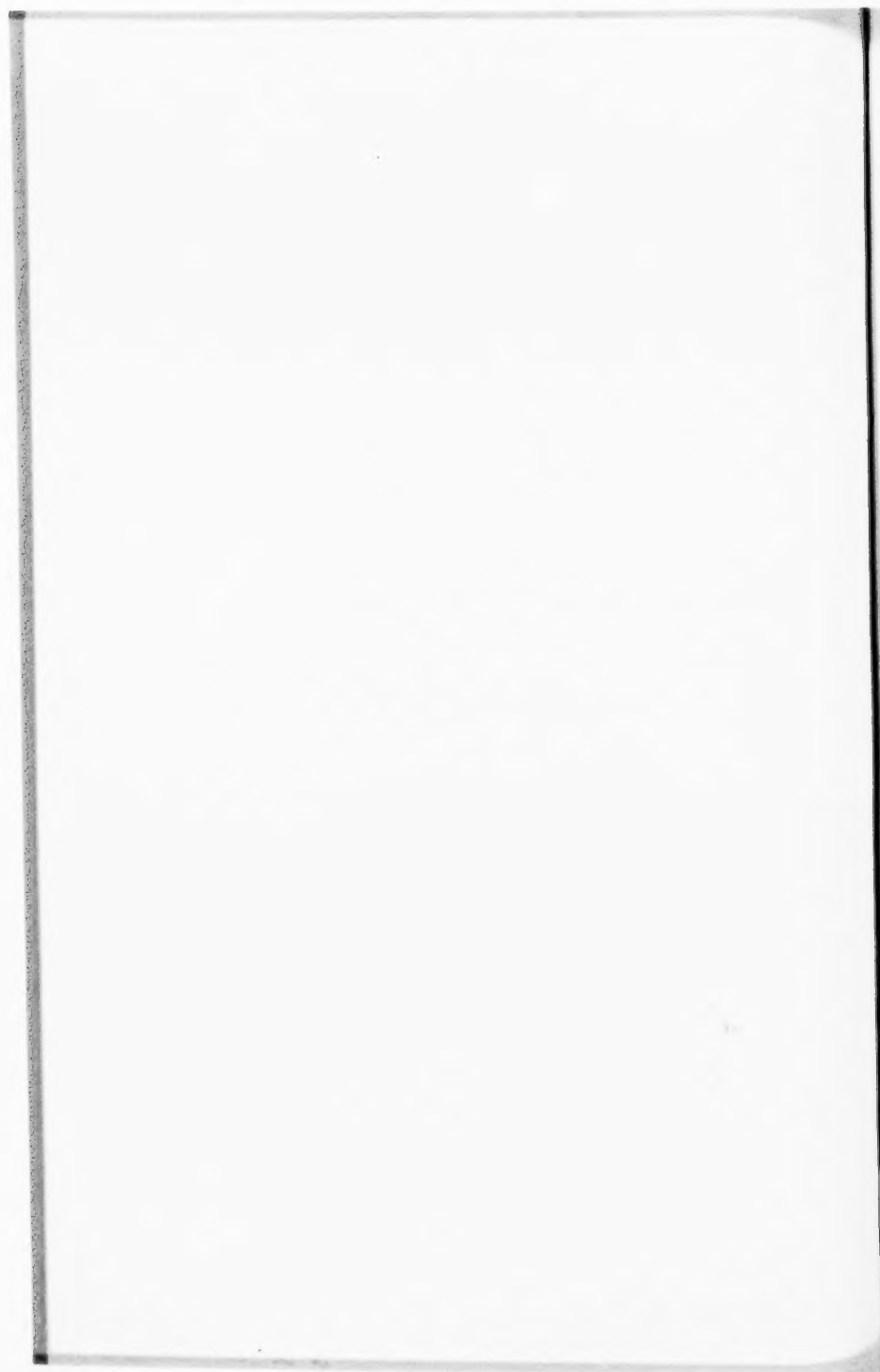
GEORGE J. BELDOCK,  
Trustee in Bankruptcy,  
Respondent.

*Counsel*

GUSTAVE B. GARFIELD,  
MORRIS O. ALPRIN and  
SAM H. LIPSON.







(24)

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IN THE

**Supreme Court of the United States**

OCTOBER TERM, 1943.

No. 952

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In the Matter

—of—

PATIO CAFE, INC.,

Bankrupt.

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EMPIRE STATE CHAIR CO., INC.,

Petitioner,

—against—

GEORGE J. BELDOCK, Trustee in Bankruptcy,

Respondent.

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**APPELLANT'S REPLY BRIEF.**

This reply brief is being submitted pursuant to leave granted by the Clerk of this Court.

The Respondent in his brief argues that the filing of the conditional sales agreement herein was not in conformity with Section 65 of Article 4 of the Personal Property Law of the State of New York, in that by reason of the failure to annex thereto a copy of the plans and specifications it was not a copy of the conditional sales agreement. Unless such plans and specifications were a vital part of the con-

ditional sales agreement, the inference could well be drawn from the argument of the Respondent that any variation between the contract as executed and the copy as filed—even to the extent of failing to cross a “t” or to dot an “i” would result in the copy as filed being held not to be a copy of the contract as executed. This, of course, is not true.

Assuming that the contract as executed had failed to have annexed to it the plans and specifications, would such contract still be a valid conditional sales contract under the law of the State of New York? We think it would.

The Respondent does not contend that under the law of the State of New York a description is required to make this conditional sales agreement valid.

Under the state of the law as it exists in New York, therefore, it would be sufficient if a conditional sales agreement contained the names and addresses of both parties, the location of the chattels, the amount involved and an agreement for the reservation of title in the vendor. Under such contract one would be bound to know that the vendor claimed a lien upon some chattels in the premises. That is all that is required by the law of the State of New York. Yet this contract went further and, by its reference to plans and specifications, provided the “key to the description”.

It is respectfully submitted that if this honorable Court finds that no description of the chattels is required under the law of the State of New York that it must find that the Respondent was not prejudiced by the failure to file that portion of the contract which described the chattels.

The case of *Diamond Iron Works v. Werly*, 135 Wash. 228, 237 Pac. 313, does not turn upon the question of the sufficiency of the description, but it does turn upon the question as to whether or not the filing was sufficient in a case in which the plans and specifications were not annexed to the

contract as filed. Although the State of Washington did not adopt the Uniform Conditional Sales Act *in toto* it did in effect adopt the Act. That case held clearly that the failure to file a copy of the plans and specifications did not constitute a failure to file a copy of the contract and predicated its determination upon the ground that the State of Washington did not require a description of the chattels.

For the foregoing reasons as well as upon the grounds set forth in the Appellant's original brief it is respectfully submitted that the order of the Circuit Court should be reversed.

Respectfully submitted,

HAROLD FORSTENZER,  
*Counsel for Appellant.*